## IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF MISSISSIPPI

In Re: LITTCO Metals, LLC Case No.: 23-10069-SDM

Debtor(s) Chapter 7

Adversary Proceeding No.: 24-01024-SDM

JASON LITTRELL AND WILLIAM L. FAVA, TRUSTEE FOR LITTCO METALS, LLC d/b/a LITTCO, LLC, LITTCO METALS EQUIPMENT LEASING, INC., AND LITTCO METALS MANAGEMENT CO.

**PLAINTIFFS** 

V.

TYLER BURGESS; TONIA ETOH; INTERNATIONAL DEVELOPMENT SERVICES, INC.; INTERNATIONAL SERVICES, INC.; TAVAS, LLC; PENHURST CAPITAL, INC.; TIM WILLITS; NATHAN FREE; JEROLD WEISSBERG; ROBERT LEGON; BRUCE BUSH; DALE JOHNSTON; JAMES PETERS; BYZFUNDER NY, LLC; NEWCO CAPITAL GROUP IV, LLC; MEHANDI VAKIL; WISE VENTURE, LLC; STEVEN MARKOWITZ, JR.; SAMSON, MCA, LLC; CLOUDFUND, LLC D/B/A SAMSON GROUP; UNIQUE FUNDING SOLUTIONS, LLC; YAAKOV WINOGRAD; PROSPERUM CAPITAL PARTNERS, LLC D/B/A ARSENAL FUNDING: JOHN AND JANE DOES 1-10: AND ENTITIY DOES 1-5

DEFENDANTS

## PLAINTIFFS' RESPONSE TO MOTION TO WITHDRAW REFERENCE

COME NOW, Plaintiffs, by and through counsel, and file this Response to Motion to Withdraw Reference, stating unto the Court as follows:

1. The debtor, Littco Metals, LLC ("Littco Metals"), and the non-debtor plaintiffs have filed a First Amended Complaint ("FAC") in this adversary proceeding which alleges the defendants,

including the self-styled "IDS Defendants" that filed the instant Motion to Withdraw Reference, have engaged in egregious acts which directly and proximately bankrupted Littco Metals and caused the non-debtor plaintiffs, including Jason Littrell, to suffer significant damages as well.

- 2. In what may be one of the more remarkable omissions of fact yet seen in a legal pleading, one of the movants herein, International Services, Inc. ("ISI"), failed to mention it filed a proof of claim in the underlying bankruptcy proceeding seeking in excess of \$1,000,000 from Littco Metals—a debt central to the claims asserted by Littco Metals in this adversary proceeding, and which is indicative of the conduct that drove Littco Metals into bankruptcy in the first place.
- 3. In addition, two other defendants named in this adversary proceeding, Samson MCA, LLC ("Samson"), and Byzfunder NY, LLC ("Byzfunder"), each filed proofs of claim which, together, total more than \$1,500,000. As with the proof of claim filed by ISI, these alleged debts are central to the claims asserted by Littco Metals in this adversary proceeding, and are indicative of the conduct that drove Littco Metals into bankruptcy in the first place.
- 4. Littco Metals contends the alleged debts reflected in the proofs of claim filed by ISI, Samson, and Byzfunder are not owed, were procured through fraud, and are usurious, illegal, and/or void as a matter of law—which should suffice to defeat any contention to the effect that this adversary proceeding does not consist of core claims and/or invoke a substantive right provided under title 11 or which arises only in the context of a bankruptcy proceeding.
- 5. Adversary proceedings centered on proofs of claim by creditors are characterized as "in the nature of" counterclaims and form part of the bankruptcy court's core jurisdiction. Here, one of the IDS Defendants filed a substantial proof of claim against the debtor. Should the district court withdraw the reference to the bankruptcy court even though this is a core proceeding? The

<sup>&</sup>lt;sup>1</sup> The IDS Defendants are Tyler Burgess, Tonya Etoh, International Development Services, Inc. ("IDS"), International Services, Inc. ("ISI"), TAVAS, LLC, Penhurst Capital, Inc., Tim Willits, Nathan Free, Jerrold Weissburg, Robert Legon, Bruce Bush, Dale Johnson, and James Peters.

answer, for all of the reasons set forth in the plaintiffs' supporting memorandum, is no. This matter is properly before the bankruptcy court and should remain there until concluded.

- 6. In further support of this response, the plaintiffs incorporate their memorandum and the following exhibits:
  - a) Bankruptcy Petition;
  - b) Byzfunder NY, LLC Proof of Claim;
  - c) Samson MCA, LLC Proof of Claim; and
  - d) ISI Proof of Claim.

WHEREFORE, PREMISES CONSIDERED, the plaintiffs respectfully request that the Court deny the IDS Defendants' Motion to Withdraw Reference, and grant the plaintiffs any further relief the Court may find warranted in the premises, whether general or specific.

Respectfully submitted,

JASON LITTRELL AND WILLIAM L. FAVA, TRUSTEE FOR LITTCO METALS, LLC d/b/a LITTCO, LLC, LITTCO METALS EQUIPMENT LEASING, INC., AND LITTCO METALS MANAGEMENT CO.

/s/ Goodloe T. Lewis

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## **CERTIFICATE OF SERVICE**

I, Goodloe T. Lewis of Hickman, Goza & Spragins, PLLC, Oxford, Mississippi, do hereby certify that I have, this date, filed the above with the Court and delivered a copy to all parties requesting notice by using the ECF filing system.

DATE: February 24, 2025

/s/ Goodloe T. Lewis GOODLOE T. LEWIS